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## PRESS RELEASE

# Biden-Harris Administration Approves \$1.2 Billion in Loan Forgiveness for Over 150,000 SAVE Plan Borrowers

FEBRUARY 21, 2024

The Biden-Harris Administration today is announcing that it will automatically discharge \$1.2 billion in loans for nearly 153,000 borrowers who are eligible for the shortened time to forgiveness benefit under President Biden's Saving on a Valuable Education (SAVE) Plan. This action comes as 7.5 million borrowers are now enrolled in SAVE, 4.3 million of whom have a \$0 monthly payment.

"With today's announcement, we are once again sending a clear message to borrowers who had low balances: if you've been paying for a decade, you've done your part, and you deserve relief," said U.S. Secretary of Education Miguel Cardona. "Under President Biden's leadership, our Administration has now approved loan forgiveness for nearly 3.9 million borrowers, and our historic fight to cancel student debt isn't over yet."

President Biden [announced](#) in January that his Administration was accelerating the shortened time to forgiveness component of the SAVE Plan nearly six months earlier than anticipated in order to provide borrowers the relief they have earned as quickly as possible. For a borrower to be eligible for this forgiveness they must be enrolled in the SAVE Plan, have been making at least 10 years of payments, and have originally taken out \$12,000 or less for college. For every \$1,000 borrowed above \$12,000, a borrower can receive forgiveness after an additional

year of payments. All borrowers on SAVE receive forgiveness after 20 or 25 years, depending on whether they have loans for graduate school. The benefit is based upon the original principal balance of all Federal loans borrowed to attend school, not what a borrower currently owes or the amount of an individual loan.

"As of today, we have approved loan relief for nearly 3.9 million borrowers who were counting on the Biden-Harris Administration to fix the broken student loan system and provide the forgiveness they earned and have been waiting for," said U.S. Under Secretary of Education James Kvaal. "For too long the system did not work for borrowers, even when they were eligible for loan forgiveness. Today's announcement shows that President Biden's commitment to student debt cancellation continues to deliver."

Borrowers will begin receiving emails from President Biden today telling them they are approved for forgiveness and will not need to take any further action to receive relief. In the coming days servicers will process the forgiveness and borrowers will see their loans forgiven on their accounts. Moving forward, borrowers who meet the eligibility criteria for forgiveness under the SAVE Plan will have their loans automatically discharged with no action needed on their part. The U.S. Department of Education (Department) will continue to identify and discharge the loans on a regular basis. Next week, the Department will start emailing borrowers who can become eligible for this forgiveness if they switch onto SAVE. No action is needed by borrowers who have already enrolled in SAVE.

Borrowers who believe they meet these criteria are strongly encouraged to immediately sign up for SAVE at [StudentAid.gov/save](https://StudentAid.gov/save).

## **An Unparalleled Track Record of Student Debt Cancellation**

The Biden-Harris Administration has fought tirelessly to provide borrowers the relief they have earned. In total, the Administration has now approved debt cancellation for nearly 3.9 million hard-working Americans totaling almost \$138 billion in relief. Many of these borrowers planned their lives and families around the promise of forgiveness through programs such as Public Service Loan Forgiveness (PSLF). The Administration also secured the largest increase to

Federal Pell Grants in a decade and finalized new rules to protect borrowers from career programs that leave graduates with unaffordable debts or insufficient earnings.

To date the Biden-Harris Administration has also approved:

- **\$56.7 billion for more than 793,000 borrowers through fixes to PSLF.**
- **\$45.6 billion for 930,500 borrowers through improvements to income-driven repayment.**
- **\$11.7 billion for 513,000 borrowers with a total and permanent disability.** This includes providing automatic discharges off a data match with the Social Security Administration
- **\$22.5 billion for 1.3 million borrowers through closed school discharges, borrower defense, and related court settlements.**

The Biden-Harris Administration is currently writing proposed regulations that would make more borrowers eligible for loan forgiveness and this week will hold another session of negotiated rulemaking to discuss a proposal to provide loan forgiveness for borrowers experiencing hardship. These efforts are part of President Biden's commitment to finding an alternative path to student debt relief in the wake of last year's Supreme Court decision striking down the Administration's original student debt relief plan. The Department is also conducting negotiated rulemaking on regulations that will strengthen institutional quality and program integrity to ensure students are well served by their colleges and that the federal student aid programs work in their best interest.

## **Additional Borrowers Enrolled in SAVE**

There are now 7.5 million borrowers enrolled in the SAVE Plan, of whom 4.3 million have a \$0 payment. The SAVE Plan is the most-affordable repayment plan for low- and middle-income borrowers and puts many on a path to earlier forgiveness.

The SAVE Plan protects borrowers from runaway interest and balances larger than what they originally took out. The improved application allows for a

borrower's income to be shared with the Internal Revenue Service so that they do not have to recertify on an annual basis.

The Department will implement the remaining full benefits of the SAVE Plan in July 2024, which will further reduce monthly payments from 10 percent of a borrower's discretionary income to 5 percent.

Borrowers can learn more about forgiveness programs at [StudentAid.gov/forgiveness](https://StudentAid.gov/forgiveness). Borrowers can learn more about the right repayment plan for their financial situation at [StudentAid.gov/restart](https://StudentAid.gov/restart). More information about the SAVE plan is available at [StudentAid.gov/save](https://StudentAid.gov/save)

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